

FCC/MELLM NOV 28 2005

WC 05-350
RECEIPT

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Harold Nowick and Marjorie Nowick)
Transferors)
)
Interstate Telecommunications Cooperative, Inc.)
Transferee)
)
For Transfer of Control of Stockholm-Strandburg Telephone Co.,)
A South Dakota Incumbent Local Exchange Carrier Holding Domestic)
Blanket Authorizations under Section 214 of the Communications Act)

TO: Chief, Wireline Competition Bureau

**APPLICATION FOR TRANSFER OF CONTROL OF
DOMESTIC BLANKET SECTION 214 AUTHORIZATION**

Commission authorization is hereby requested for the transfer of control of Stockholm-Strandburg Telephone Co. ("SSTC") from Harold Nowick and Marjorie Nowick ("Transferors") to Interstate Telecommunications Cooperative, Inc. ("ITC" or "Transferee"). SSTC is an incumbent local exchange carrier that serves a single study area (Study Area No. 391679) consisting of three exchanges -- the Stockholm-Strandburg exchange (approximately 199 access lines), the South Shore exchange (approximately 191 access lines) and the Revillo exchange (approximately 332 access lines) -- in northeastern South Dakota.

The proposed transaction consists of the merger of ITC Capital, Inc. ("ITCI"), a wholly-owned subsidiary of ITC into SSTC. In conjunction with this merger, all of the previously issued and outstanding shares of SSTC stock (66.0% of which are owned by Harold Nowick and Marjorie Nowick) will be converted into the rights to receive the consideration for the merger, and the existing stock of ITCI will become the sole class of

capital stock of SSTC. Following the merger, the separate corporate existence of ITCI will cease, and SSTC will be a wholly-owned subsidiary of ITC.

In accordance with the requirements of Section 63.04(a) of the Commission's Rules, the applicants submit the following information:

(1) Name, address and telephone number of each applicant:

Transferors:

Harold Nowick and Marjorie Nowick
210 North Main Street (P.O. Box 20)
Stockholm, South Dakota 57264
Telephone: (605) 676-2311
Facsimile: (605) 676-2317

Transferee:

Interstate Telecommunications Cooperative, Inc.
312 Fourth Street West (P.O. Box 920)
Clear Lake, South Dakota 57226
Telephone: (605) 874-2181
Facsimile: (605) 874-2014

(2) Government, state or territory under the laws of which each corporate or partnership applicant is organized:

Stockholm-Strandburg Telephone Co. is a corporation organized under the laws of the State of South Dakota.

Interstate Telecommunications Cooperative, Inc. is a corporation organized under the laws of the State of South Dakota.

ITC Capital, Inc. is a corporation organized under the laws of the State of South Dakota.

(3) Name, title, post office address, and telephone number of the officer or contact person to whom correspondence concerning the application is to be addressed:

For Transferors:

Harold Nowick, President
Stockholm-Strandberg Telephone Co.
210 North Main Street (P.O. Box 20)
Stockholm, South Dakota 57264
Telephone: (605) 676-2311
Facsimile: (605) 676-2317

With a copy to Counsel:
Gerard J. Duffy
Blooston, Mordkofsky, Dickens, Duffy & Prendergast
2120 L Street, N.W. (Suite 300)
Washington, D.C. 20037
Telephone: (202) 659-0830
Facsimile: (202) 828-5568

For Transferee:

Jerry Heiberger, General Manager
Interstate Telecommunications Cooperative, Inc.
312 Fourth Street West (P.O. Box 920)
Clear Lake, South Dakota 57226
Telephone: (605) 874-2181
Facsimile: (605) 874-2014

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Telephone: (202) 659-0830
Facsimile: (202) 828-5568

- (4) Name, address, citizenship and principal business of any person or entity that directly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of those entities (the nearest one percent):**

Prior to the proposed transaction, the name, address, citizenship and principal business of the entities that directly or indirectly own at least ten (10) percent of the equity of SSTC are:

<u>Name & Address</u>	<u>% Equity</u>	<u>Citizenship</u>	<u>Principal Business</u>
Harold Nowick 210 North Main Street Stockholm, SD 57264	32.0%	U.S.A.	Telecommunications
Marjorie Nowick 210 North Main Street Stockholm, SD 57264	34.0%	U.S.A.	Telecommunications

After the proposed transaction, the name, address, citizenship and principal business of the sole entity that will directly or indirectly own at least ten (10) percent of the equity of SSTC is:

<u>Name & Address</u>	<u>% Equity</u>	<u>Citizenship</u>	<u>Principal Business</u>
Interstate Telecommunications Cooperative, Inc. 312 Fourth Street West Clear Lake, SD 57226	100.0%	S.D. Corp.	Telecommunications

Interstate Telecommunications Cooperative, Inc. is a telecommunications cooperative corporation owned by its approximately 13,760 owner-members. No individual owner-member directly or indirectly owns or controls ten (10) percent or more of the equity of ITC.

- (5) Certification pursuant to 47 C.F.R. Sections 1.2001 through 1.2003 that no party to the application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.**

Stockholm-Strandburg Telephone Co., Harold Nowick, Marjorie Nowick and Interstate Telecommunications Cooperative, Inc. hereby certify, pursuant to 47 C.F.R. Sections 1.2001 through 1.2003, that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

- (6) Description of the transaction:**

The proposed transaction consists of: (a) the merger of ITCI, a wholly-owned subsidiary of ITC, into SSTC; (b) the conversion of all of the previously issued and outstanding shares of SSTC stock (66.0% of which are owned by Harold Nowick and Marjorie Nowick) into rights to receive the consideration for the merger; and (c) the conversion of the existing stock of ITCI into the sole class of capital stock of SSTC. Following the merger, the separate corporate existence of ITCI will cease, and SSTC will be a wholly-owned subsidiary of ITC.

When the transaction is completed, control of SSTC will have been transferred from the Nowicks to ITC. SSTC will continue to provide domestic telecommunications services within its three South Dakota exchanges.

- (7) Description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area:**

A map of the northeastern South Dakota service area of SSTC and the eastern South Dakota and southwestern Minnesota service area of ITC is attached.

SSTC and ITC share a border of approximately 26.5 miles between SSTC's Stockholm-Strandburg and Revillo exchanges, and ITC's Goodwin, Clear Lake and Gary exchanges.

SSTC provides local exchange and exchange access services to three exchanges (approximately 722 total access lines) in northeastern South Dakota. The three exchanges are the Stockholm-Strandburg exchange (approximately 199 access lines), the South Shore exchange (approximately 191 access lines) and the Revillo exchange (approximately 332 access lines).

SSTelcom, Inc. ("SSTP"), a wholly-owned subsidiary of SSTC, provides information and cable television services within SSTC's service area and adjacent areas. None of the adjacent areas are within ITC's service area.

SSTI provides high-speed DSL Internet access to approximately 220 customers, and dial-up Internet access to approximately 162 customers. SSTI also provides cable television service in the communities of Stockholm, South Shore, LaBolt and Revillo within SSTC's service area, and in the community of Milbank, South Dakota to the north of SSTC's service area.

SSTI plans to begin providing competitive local exchange services in Milbank (2000 population: 3,640) during 2006.

ITC provides local exchange and exchange access services to twenty-four exchanges (approximately 14,232 access lines) in eastern South Dakota, and to two exchanges (approximately 1,659 access lines) in southwestern Minnesota. ITC serves the Astoria, Bradley, Brandt, Brookings (rural), Bryant, Castlewood, Chester, Clark, Clear Lake, Elkton, Estelline, Florence, Gary, Goodwin, Hayti, Lake Norden, Nunda, Sinai, Toronto, Waubay, Webster, Wentworth, White and Willow Lake exchanges in eastern South Dakota; and the Hendricks and Lake Benton exchanges in southwestern Minnesota.

ITC provides information and cable television services within ITC's service area and adjacent areas. None of the adjacent areas are within SSTC's service area.

ITC provides high-speed DSL Internet access to approximately 1,559 customers, and dial-up Internet access to approximately 5,266 customers. ITC also provides cable television service in the communities of Astoria, Aurora, Bradley, Brandt, Bryant, Bushnell, Castlewood, Chester, Clark, Clear Lake, Elkton, Estelline, Florence, Gary, Goodwin, Hayti, Henry, Lake Norden, Nunda/Rutland, Raymond, Sinai, Toronto, Waubay, Webster, Wentworth, White and Willow Lake in eastern South Dakota, and Hendricks and Lake Benton in southwestern Minnesota.

SSTC currently owns a 1.19 percent equity interest, and ITC currently owns a 7.64 percent equity interest in Express Communications, Inc. ("Express"), an interexchange carrier that is owned by twenty-eight South Dakota local exchange

carriers. Express provides domestic and international long distance toll services to customers within the SSTC and ITC service areas.

SSTC currently holds a 1.07 percent equity interest, and ITC currently holds a 9.37 percent equity interest, in South Dakota Network, LLC ("SDN"), a limited liability corporation owned by twenty-eight South Dakota independent local exchange carriers that provides centralized equal access and transport services throughout various portions of rural South Dakota.

ITC holds a 0.82 percent equity interest in Onvoy, Inc., a Minnesota corporation that provides centralized equal access, transport, voice, data, videoconferencing and Internet services in Minnesota.

SSTC and ITC have no other affiliates that provide telecommunications services.

(8) Statement as to how the application fits into one or more of the presumptive streamlined categories in section 63.03 or why it is otherwise appropriate for streamlined treatment:

SSTC and ITC are incumbent local exchange carriers that are contiguous along an approximately 26.5-mile border, and therefore do not appear to qualify for streamlined treatment.

However, SSTC (approximately 722 total access lines) and ITC (approximately 15,891 total access lines) are rural telephone companies that have, in combination, far fewer than two percent of the nation's subscriber lines installed in the aggregate nationwide and no overlapping service areas. These approximately 16,613 access lines comprise a very small fraction of the 3,601,735 end-user switched access lines that constituted two percent of the nation's estimated 180,086,735 end-user switched access lines as of June 30, 2004. Source: Industry Analysis and Technology Division, Trends in Telephone Service, April 2005, Table 8.1.

(9) Identification of all other Commission applications related to the same transaction:

No pending Commission applications are related to the proposed transaction, and no additional future Commission applications are planned or expected to be submitted.

(10) Statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure:

No party to the transaction is facing imminent business failure at this time. Therefore, the applicants are not requesting special consideration because a party to the transaction is facing imminent business failure.

(11) Identification of any separately filed waiver requests being sought in conjunction with the transaction:

No separately filed waivers or waiver requests are being sought in conjunction with the proposed transaction.

(12) Statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets:

The proposed transaction entails the transfer of control of a very small rural telephone company (approximately 722 total access lines) to a somewhat larger neighboring rural telephone cooperative (approximately 15,891 total access lines). Both SSTC and ITC have long provided their rural customers with high quality, state-of-the-art communications services at affordable rates. ITC will ensure this excellent record of service continues as the Nowick family moves on to other ventures.

Conclusion

In light of the foregoing facts and public interest considerations, the Commission is respectfully requested to authorize the transfer of control of SSTC and its domestic blanket Section 214 authorization from Harold Nowick and Marjorie Nowick to ITC.

Respectfully submitted,

HAROLD NOWICK

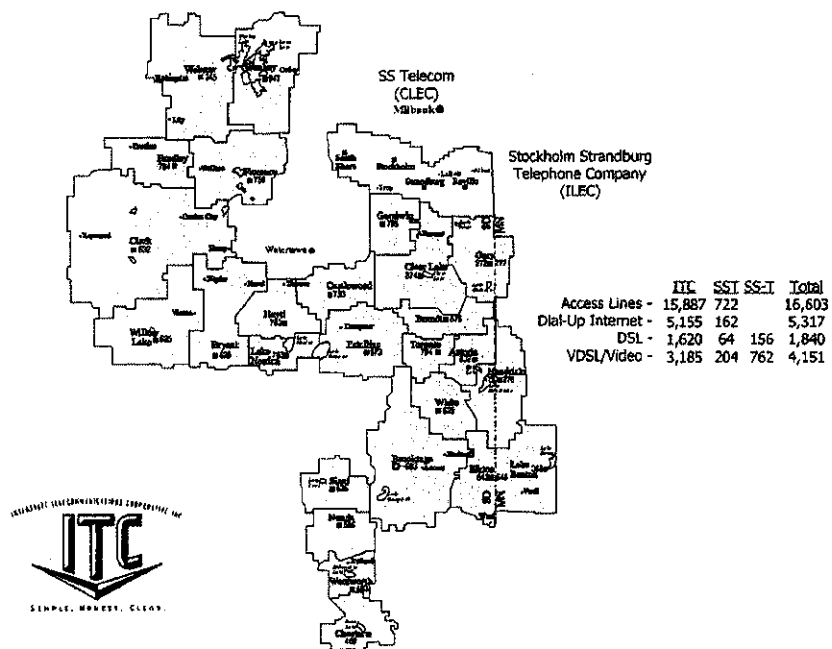
By Harold Nowick
Date 11/25/05

MARJORIE NOWICK

By Marjorie Nowick
Date 11/25/05

**INTERSTATE TELECOMMUNICATIONS
COOPERATIVE, INC.**

By Ray Weikert
Title General Manager
Date 11/25/05



FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

(1) LOCKBOX # 358145		SPECIAL USE ONLY	
FCC USE ONLY			
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Blooston, Mordkofsky, Dickens, Duffy & Prendergast		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$895.00	
(4) STREET ADDRESS LINE NO. 1 2120 L Street, NW			
(5) STREET ADDRESS LINE NO. 2			
(6) CITY Washington		(7) STATE DC	(8) ZIP CODE 20037
(9) DAYTIME TELEPHONE NUMBER (include area code) (202) 659-0830		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0003714193		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME Interstate Telecommunications Cooperative, Inc.			
(14) STREET ADDRESS LINE NO. 1 312 Fourth Street West			
(15) STREET ADDRESS LINE NO. 2 P.O. Box 920			
(16) CITY Clear Lake		(17) STATE SD	(18) ZIP CODE 57226-0920
(19) DAYTIME TELEPHONE NUMBER (include area code) (605) 874-2181		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0003741550		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) 895.00	(27A) TOTAL FEE 895.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT			
I, _____, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE _____		DATE _____	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____			
ACCOUNT NUMBER _____		EXPIRATION DATE _____	
I hereby authorize the FCC to charge my credit card for the service(s) authorization herein described.			
SIGNATURE _____		DATE _____	

Blooston, Mordkofsky, Dickens, Duffy & Prendergast2120 L Street, N.W. Suite 300
Washington, DC 20037-1563
(202) 659-0830SUNTRUST BANK
CHARLOTTESVILLE, VA 22903
68-2/510

5477

11/28/2005

PAY TO THE ORDER OF Federal Communications Commission

\$**895.00

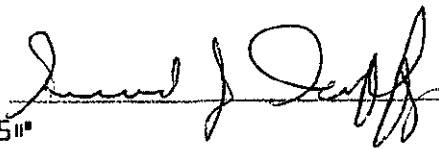
Eight Hundred Ninety-Five and 00/100*****

DOLLARS  

Federal Communications Commission

MEMO Interstate Telecommunications

⑈005477⑈ ⑆051000020⑆ 206559445⑈

 MP**Blooston, Mordkofsky, Dickens, Duffy & Prendergast**

5477

Federal Communications Commission

11/28/2005

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
11/28/2005	Bill	4222	895.00	895.00		895.00
				Check Amount		895.00

Checking account

Interstate Telecommunications

895.00